

Report to:	Cabinet	Date of Meeting:	27 th February 2014
Subject:	Adult Social Care Change Programme	Wards Affected:	All
Report of:	Director of Older People & Head of Transformation		
Is this a Key Decision?	Yes	Is it included in the Forward Plan?	Yes
Exempt/Confidential	No		

Purpose/Summary

To update Cabinet on the Adult Social Care Change Programme and seek approval for planned activity.

Recommendation(s)

Cabinet is asked to

1. note that the changes associated with the Care Bill will be managed within the Adult Social Care Change Programme.
2. note that £900,000, transferred from Health under s256 National Health Service Act 2006, will be invested to support the delivery of the new reablement pathway and increase the number of people being offered the benefit of reablement services
3. authorise officers to negotiate with New Directions the required variation in contract, subject to appropriate dialogue, so that the implementation of a payment by results arrangement for reablement activity will run in parallel to notice on the existing block contract arrangement
4. note the decision making process associated with respite and authorise officers to negotiate with New Directions the required variation in contract, subject to appropriate dialogue, so that when appropriate the new ways of working and associated commissioning will run in parallel to notice on the existing block contract arrangement
5. agree that the resource allocated to the delivery of the change programme continues for a further 12 months from the Modernisation Fund
6. be aware and take account of and note the financial and other risks to the Council
7. note the ongoing and where appropriate approve commencement of consultation and engagement processes with service users, the community, partners, providers, key stakeholders, employees and Trade Unions
8. authorise officers to consult with care home providers on appropriate proposals for setting the Council's Usual Cost of care, within the context and constraints of available resources, as set out in the Medium Term Financial Plan and as agreed with the Council's Section 151 Officer
9. delegate authority to the Cabinet Member (Older People and Health) to set the Council's Usual Cost for 2013/14 and 2014/15 within the context and constraints of available resources, as set out in the Medium Term Financial Plan and as agreed with the Council's Section 151 Officer, following conclusion of the consultation process
10. agree the virement of £1.056m from the Housing Related Support budget to

the Community Care budget, with effect from April 2014

11. waive Contracts Procedure Rules and agree the extension of existing Housing Related Support Contracts, for between 3-9 months (dependent upon the particular service and where a service is within the scope of another Council review, the timeline for that review) to enable the development of new Housing Related Support Commissioning Plans and subsequent Commissioning activity within the remaining budget available.

How does the decision contribute to the Council’s Corporate Objectives?

<u>Corporate Objective</u>		<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		x	
2	Jobs and Prosperity		x	
3	Environmental Sustainability		x	
4	Health and Well-Being		x	
5	Children and Young People		x	
6	Creating Safe Communities		x	
7	Creating Inclusive Communities		x	
8	Improving the Quality of Council Services and Strengthening Local Democracy		x	

At the time of writing this report the implications of the change programme are not fully understood and therefore the Council is unable to confirm how the work will contribute to the Council’s Corporate Objectives

Reasons for the Recommendations:

The Council has significant existing responsibilities for Adult Social Care and invests considerable resources (£91 million per annum) into this service. The Adult Social Care Change Programme’s overall aim is to develop a model for Sefton Council’s Adult Social Care that is sustainable, modern and flexible, delivering the four strategic priorities as set out in the ASC Strategic plan 2013-20 as approved in November 2013, and the delivery of the changes associated with the Care Bill.

New requirements, duties and responsibilities associated with the Care Bill will be designed, developed and implemented from April 2015 with full implementation planned for April 2016. In the light of the timescale, breadth of changes and associated risks, it is important that the Council prepares for implementation despite of a lack of clarity about some of the key features.

Alternative Options Considered and Rejected:

Maintaining the status quo is not an option due to demographic and budgetary pressures and new legislation (Care Bill). The Council could wait for greater clarity in relation to the legislation before acting but this would pose significant risk that the Council will not be in a position to meet its statutory responsibilities when the Bill is enacted.

What will it cost and how will it be financed?

Resources: £91m in 2014/2015

(A) Revenue Costs

The Council's MTFP projects budget gaps for 2015/2016 and 2016/2017 of £31.6m and £22.2m respectively. The Adult Social Change Programme will need to be considered against the background of reducing Council resources. Under the New Burdens principle the Government will provide additional funding to Councils for the implications of the requirements, duties and responsibilities associated with the Care Bill. The Better Care Fund for Sefton will include £0.692m for these New Burdens in 2015/2016. In addition, £285m nationally will also be available in 2015/2016 to support the transition to capped care costs and deferred payments. The DCLG has estimated that Sefton's share of the national funding will be £1.811m although the methodology for allocating these resources is still under development. Funding beyond 2015/2016 is unknown. The actual level of expenditure is however unclear; serious concerns exist that expenditure will exceed the additional Government resources.

(B) Capital Costs

The Better Care Fund in 2015/2016 also includes £50m nationally for capital costs associated with the implications of the Care Bill (£0.318m for Sefton).

Implications:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Financial

Revenue costs and the timing of the impact of the various elements of the Care Bill are yet to be determined and will need to be factored into Council's medium term financial plan. In January 2014 Cabinet were advised that reforms to adult social care will place a number of new burdens on local authorities. The Government, in its Spending Power calculations, has provided an illustrative increase in funding of approximately £1.8m for Sefton in 2015/16 (although the methodology for allocating funding is still under development). There is however a great deal of concern with regard to the Government's expectation of service provision, and the resultant financial costs to Sefton (when compared to the additional resources provided). Based on available information to date, the additional resources are not expected to be sufficient.

Legal

Current social care legislation has evolved over a number of decades and the Care Bill seeks to consolidate several pieces of legislation and will replace many different pieces of legislation with one Act. The Bill sets out new rights for carers, emphasis the need to prevent and reduce care and support needs and introduces a national eligibility threshold for care and support. The Bill also introduces a cap on the costs that people will have to pay for care.

Preparations for the implementation of the Bill may require to Council to renegotiate the terms of its contracts with commissioned service providers.

Human Resources - The implications in terms of Personnel practice and implications for

the workforce are not clear yet. Regular consultation takes place with trade unions through recognised processes. Officers will continue to consult with trade unions and employees as necessary following these recognised processes.

Equality

Equality implications continue to be identified as this report does not recommend significant changes there are no equality impacts to be reported at this stage.

Impact of the Proposals on Service Delivery:

Adult Social Care's day-to-day operational model will change over the period of the programme. The impact on the individual and community is not fully understood at this stage.

The Care Bill represents the most significant change in Adult Social Care in recent years, with changes to underpinning legislation, eligibility criteria, funding, the status of Adult Safeguarding and a host of other associated areas which are likely to impact across the Council.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance and ICT (FD 2821) and Head of Corporate Legal Services ((LD2127/14) have been consulted and any comments have been incorporated into the report.

Implementation Date for the Decision

Immediately following the expiry of the call in period

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Background Papers: The following papers are available for inspection on the Council website via these links:

Population & Projections 2011 - 2021

Other Information

[Strategic Plan](#)

[The Care Bill - Main Areas of Change](#)

[Public Consultation & Engagement Panel November 2013](#)

[care-bill-factsheets](#)

[Care and support reform programme schedule December 2013 \(LGA\)](#)

[Care Bill Clause Analysis LGA](#)

www.seftondirectory.co.uk

[Health & Wellbeing Board](#)

[Sefton Strategic Needs Assessment \(SSNA\).](#)

1. Introduction/Background

- 1.1 The Adult Social Care Change Programme's overall aim is to develop a model for Sefton Council's Adult Social Care (ASC) that is sustainable, modern and flexible, delivering the four strategic priorities as set out in the ASC Strategic plan 2013-20. The strategic plan highlights
- the Council's commitment to safeguarding
 - how the Council will focus resources on the **most** vulnerable
 - the need to work with our partners and the community
 - and the development of the market to deliver the required change.

The scope of the programme includes delivery of approved budget savings, designing the new model for Social Care and implementing the changes associated with the Care Bill.

- 1.2 The Council is facing the greatest financial challenge in its history, the MTFP projects budget gaps for 2015/2016 and 2016/2017 of £31.6m and £22.2m respectively. The Adult Social Change Programme must be considered against this background. The New Burdens monies identified by Government associated with implementing the Care Bill and the Better Care Fund is not likely to meet the true cost to the Council of implementing such a significant change, especially given the financial challenge. Sir Merrick Cockell, Chairman of the LGA, said recently:

"The costs for running the deferred payment scheme have been massively underestimated by the Government. With costs likely to exceed £1.1 billion, councils are at real risk of incurring costs that they simply can't meet."

- 1.3 The Care Bill, currently making its way through Parliament, is the most significant piece of legislation in adult social care since 1948. It will replace existing adult social care legislation and introduce a range of duties as well as implementing the funding reforms laid out in the Dilnot report. Whilst the proposed legislation is subject to consultation and provision of greater detail, the breadth and complexity of the associated issues and the proposed timescales for implementation mean that the Council must carefully consider the community, financial and other implications, opportunities and associated risks. The changes must be planned for in the context of reductions in funding for local Government services and a raft of other social care initiatives. It is anticipated that the Government will implement the changes in two phases:

- April 2015 for the changes to assessment and eligibility
- April 2016 for cap on care costs.

Cabinet is asked to note that the associated changes will be managed within the Adult Social Care Change Programme as outlined in Section 2 of this report.

- 1.4 The Better Care Fund, which is the subject of a further report on this agenda, is the programme announced by the government which creates a single pooled budget for Health and Social Care Services to work more closely together in local areas, based on a plan agreed between the Council and the NHS. The report on the agenda provides details of the Fund, the processes which are to be followed in

preparing a draft plan and presents for approval the first cut of a plan for Sefton Better Care Fund.

2. Current & Planned Activity

2.1 The Programme is structured around a group of inter-related projects and commissioning activity. The four main projects associated with the programme are

- Approved savings (see para 2.3)
- Awareness, Information, Advice and the Market (see para 2.4)
- Eligibility Threshold/assessments and review (see para 2.5)
- Paying for care and support (see para 2.6)

2.2 The Programme will be controlled, managed and organised by the Transformation team. The programme is using a 'rolling' staged approach across each project as the various areas of work cannot be considered in isolation as there are significant dependencies within the programme and across the Council.

2.3 Approved Savings

Progress in delivering the approved savings has been reported to Cabinet on a regular basis through the 2013/2014 Budget Update reports. Below is a more detailed update on the approved savings that are a priority within the programme. As Cabinet is aware these totalled £12.75m over 2013/2014 and 2014/2015. Forecasts indicate that in 2014/15 there will be an in year shortfall of £3.9m with an ongoing shortfall of £3.000m predicted and this has been included in the Medium Term Financial Plan (MTFP) for 2015/2016.

Day Opportunities

2.3.1 February 2013 Council approved a proposal to remodel day opportunities so that in the future opportunities will be shaped by how best to meet assessed needs and made more appropriate to people who use them. In considering this Council was made aware that this may result in

- the closure of a number of day centres
- use of existing and developing community offers and universal services
- changes in transport
- and that property will be reviewed regarding future use.

2.3.2 The demand for more traditional day services is falling. Crucial to the redesign is the understanding of current and future need. As members are aware all care plans are subject to regular review, as part of this process the Council recognises that assessed eligible needs may change as can a person's view on how those needs are met may change. The Council may also wish to change the way in which it meets needs in order to strengthen independence and well being and to meet those needs in the most cost effective way, as these reviews continue the Council will continue to strengthen its understanding of current and future need. No immediate changes will be made without discussing changes with those people directly affected.

2.3.3 Officers continue to research best practice, plans and solutions identified by other Councils and a number of visits have been made and more are scheduled. As a result of this work a significant amount of data and intelligence has been gathered and analysed over recent months including that of current Day Centre service usage and costs, comparator data of costs and performance, activities mapped, transport and community profiles. As part of the work undertaken so far and to gain a better understanding of how services function currently and to explore opportunities for the future officers have visited a number of provider locations. During these visits officers were made welcome, had the opportunity to observe the activities currently provided and discuss with providers thoughts and ideas about what works well, what could be done differently and how they might be able to respond to the challenges ahead. This work will continue and inform any future options that Cabinet consider.

Reablement

2.3.5 February 2013 Council approved a proposal to work with the two Sefton Clinical Commissioning Groups (CCGs) and agree a model of re-ablement that will enable more users to go through a re-ablement process, thereby reducing levels of admission to short & long term care. The rationale for this change is based on national longitudinal studies that have demonstrated that timely intervention of home care re-ablement, focusing on activities for daily living, can enable people to live more independently and reduce their need for ongoing homecare support.

2.3.6 The review identified that the service as currently delivered does not fully exploit the opportunities presented to increase people's ability to manage with little or no ongoing support and that the specification for this service was outdated and did not deliver a home care reablement service as recognised by today's standards. Working with the CCGs a new specification and draft pathway suitable for current requirements have been developed.

2.3.7 The aim is that the new ways of working will reduce the reliance on longer term packages of care, in turn reducing future pressure on the community care and nursing and residential care budgets. The outcomes required from this work include;

- increased numbers of people being offered reablement
- achievement of personal outcomes
- reduction in the requirement for Community Care assessments
- reduction in the need for ongoing homecare support
- achieving Value For Money

The new pathway will see roles and responsibilities change significantly in both the Council and the provider. The size of this change cannot be underestimated as it is dependent on whole system change including assessment and review and health processes, the use of assistive technology, telehealth, system development plus significant cultural change. Due to the linkages with the Health system this must be considered within the context of Better Care Funding. Due to the linkages with the Health system and the announcement of the Better Care funding, this change programme aligns with the development of the Better Care Plan for Sefton.

2.3.8 The planned implementation will include mechanisms for tracking of costs and benefits which will result in replacing estimates with actuals to demonstrate the effectiveness and value for money of the change. This change will require investment, Cabinet is asked to note that £900,000 transferred from Health under s256 to deliver reablement services will be invested to support the delivery of the new pathway and increase the number of people being offered the benefit of reablement services.

2.3.9 The change also requires a variation of contract with the Council's partner New Directions. Cabinet is asked to authorise officers to negotiate the required variation in contract, subject to appropriate dialogue, so that the implementation of the change will run in parallel to notice on the existing block contract arrangement.

Respite

2.3.10 Respite Care is provided to support carers to continue in their caring role by providing either a short break from caring or a break which can be planned in advance or provided in an emergency, for example, when a carer is unwell. This helps to ensure that people continue to be cared for at home and do not come into long term care.

2.3.11 In February 2013 Council approved a change to the decision making process associated with respite. At present respite provision provides day and overnight relief to carers based on a traditional model of care within traditional settings. The Council is seeking to move service users towards greater independence by modernising and creating greater flexibility in the way in which respite is provided.

2.3.12 This requires new ways of working underpinned by appropriate commissioning activity. Cabinet is asked to note the decision making process associated with respite and authorise officers to negotiate the required variation in contract, subject to appropriate dialogue, so that when appropriate the new ways of working and associated commissioning will run in parallel to notice on the existing block contract arrangement.

2.4 Awareness, Information, Advice and the Market

2.4.1 The Strategic Plan identifies the need to ensure the community has

- access to advice, education and information about services so that they are able to make their own decisions about financial planning, care and support.
- the capacity and resilience to take responsibility for their own health and well-being and that there is a sustainable and relevant market to enable accessible opportunities and choice.

2.4.2 The Sefton Directory was launched in October and has been very well received to date, this coupled with the improvements to the Sefton internet. The ambition is to create greater opportunities for the community to shape what they want to do, where and how. In developing and delivering this programme the Council will continue to work with partners to facilitate community responsibility and capacity to reduce the reliance on Council services and implement innovative support initiatives which meet the needs of the community and the individual. A number of community initiatives have been identified that will support this. These include

increasing dementia awareness, winter readiness and activities in community venues. Work will commence on these initiatives shortly and progress will be reported to Cabinet Member (Older People & Health) on a regular basis.

2.4.3 The Council will support the development of a responsive and sustainable market and in turn this may create opportunities for the employment of local people and the growth of community-led initiatives. The Care Bill requires Local Authorities to support a market for Adult Social Care that delivers a wide range of care and support services that will be available to their local communities.

2.4.4 Details of future activity will be reported to Cabinet when they have been developed.

2.5 Eligibility Threshold/Assessments & Review

2.5.1 The Strategic Plan describes the priority to ensure that limited social care funds support and are targeted at only the most vulnerable adults and they are involved in all decisions about the provision of their care and support. The care and support system is to be built around the individual. This area of change will require the Council to develop new models for care. These will be based on the more effective provision of information as described above, timely and targeted prevention, and new models, for example, re-ablement (see para 2.3).

2.5.2 The Council will continue to assess and review in accordance with the Department of Health Guidance: Prioritising need in the context of Putting People First, 2010 which replaces the previous Fair Access to Care (FACS) criteria. There are four bands associated with the guidance: Critical; Substantial, Moderate; and Low. Sefton's eligibility criteria is set at Critical and/or Substantial. The draft national minimum eligibility criteria threshold for care and support within the Care Bill discussion document are much broader than the criteria the Council applies locally. If the current draft definitions become law it will lead to a widening of our service user base which will result in significant increased costs to the Council. Members will be kept informed of the anticipated local impact as the criteria are clarified.

2.5.3 Work is already underway to investigate best practice, legislation, types of assessment and review. The new ways of working will be designed around the needs of the person concerned, recognise contributions from everyone that can input to the desired outcomes and where possible seek to strengthen independence and well being. In addition to this officers will identify and develop new solutions such as self help, self assessment and referral tools. This area of work will consider delivery methods, pathways, roles and responsibilities covering all areas of care management. It is anticipated that this change will see changes in local pathways, ways of working, increased use of assistive technology and roles and responsibilities which will require investment in workforce development and technology. Progress will be reported to Cabinet Member (Older People & Health) on a regular basis.

2.5.4 Since 2007, the principles and practice of Personalisation have been embedded into Sefton's policies, practices and procedures. Sefton has both increased the use of Direct Payments and implemented person centred approaches to its assessment, care planning and review functions. As part of the Customer

Access/Financial Assessment Project officers have reviewed the administrative process associated with Direct Payments, currently commissioned from the Carers Centre. During this process officers have also considered information from other Councils with regard to best practice, resources, ways of working, service funding etc. It is now planned to commence the work to introduce pre-paid cards to improve efficiency and effectiveness throughout the Council as they can be used to support other activity.

2.5.5 The forthcoming Children and Families Bill will include a new Special Educational Needs Code of Practice. The vision is that young people with Special Educational Needs & Disabilities (SEND) will lead happy, fulfilled lives and have choice and control and a key strand of the new code is about preparation for adulthood. The Health & Wellbeing Board has set up a Working Group to implement the requirements of the new code and this group will look at ways of redesigning children's and educational services. This should mean that they will require less intensive support from Adult Services. This is a long term project and it is likely to be 4/5 years before any benefits are seen. The dependencies between the Adult Social Care Programme will carefully managed within this programme.

2.6 Paying for care and support

2.6.1 Adult Social Care is underpinned by complex, co-dependent care management and financial systems and controls. Over the coming months the Council will further develop these so that it is better able to forecast and plan future spending and efficiency projects more robustly and effectively.

2.6.2 Currently paying for assessed care and support is dependent on individual financial circumstances. This situation will change considerably under the proposals contained in the Care Bill. Local authorities will be required to keep a care account for adults whose care costs are being counted towards the costs cap. The purpose of the account is to maintain a record of the adult's total lifetime accrued care costs, and progress towards the costs cap. It is anticipated that those self funding their care costs will want to "open" their care accounts at the earliest opportunity, they are likely to request an assessment so that their care costs are being counted towards the cap as soon as legislation allows, subject to eligibility. In recognition of this the government has advised that Councils will be able to begin to progress these assessments six months prior to the formal introduction of the cap.

2.6.3 Details of changes will be reported to Cabinet when they have been developed.

2.7 Delivering the change

2.7.1 The Council's approach will be to;

- define priorities and identify who our "most vulnerable" are
- integrate with partners and the NHS to provide efficient, co-ordinated, consistent, effective, services
- design social care services and activities that are modern, flexible and sustainable with self care and self management at the core

- help people to understand how to get independent financial advice where this might be helpful in making decisions about funding their care
- continue to identify those services which the Council must continue to provide as an absolute minimum and assess their current efficiency
- continue to assess and manage risks based on new financial forecasts

2.7.2 Change can be difficult, challenging and sometimes uncomfortable for service users, families, carers and the workforce but the Council is at a point where doing more of the same or trying to do more of the same with less is going to fail people, carers, families and the communities. Managing expectation is key in delivering this programme of change. In many aspects of modern life customer demand is driven by competitive markets and self-service, the Council must consider how care and support activity can match people's experience of the wider world. At the same time, and particularly for those people with no or limited capacity to exercise real choice the Council must ensure that they are safeguarded and supported with dignity and respect.

2.7.3 Officers are clarifying the priorities for projects that will deliver the objectives of the Strategic Plan. Many of the anticipated changes will have a significant impact on the community, workforce, partners, providers, suppliers, pathways, processes and technology. The programme will identify the required level of investment in modelling future demand, process redesign, improving community awareness changing ways of working, training, technology etc. Effectively scheduling and managing the dependencies between the various work packages, projects, other Council and partner initiatives is key. The governance of the Adult Social Change Programme will ensure that the work is monitored and any significant issues will be escalated to Cabinet Member (Older People & Health) and Cabinet accordingly.

2.7.4 Cabinet is asked to agree that the resource allocated to the delivery of the change programme continues for a further 12 months from the Modernisation Fund.

3. Risks

3.1 The programme regularly reviews strategic and operational risks and has put in place measures to manage those risks. However it must be stressed that change of this size coupled with reductions in the Council's budget cannot be achieved in a risk free environment.

3.2 The scale and pace of the change required with the need to identify, develop and implement new models of care and the potential associated impact on the community will require appropriate capacity to deliver change. This is on top of increasingly demanding day-to-day-work, and against a backdrop of contraction over the last few years, means capacity will have to be created to enable the delivery of a programme to change an able the Council to support those most vulnerable. It is important to note that this risk is likely to be mirrored with our partners and providers of services.

- 3.3 In particular the programme will identify any further risks to local community infrastructures and individuals and where possible develop mitigating actions. In the main this will be achieved through our consultation and engagement and care planning processes. Cabinet is asked to note the ongoing activities and where appropriate approve commencement of consultation and engagement processes with service users, the community, partners, providers, key stakeholders, employees and Trade Unions with regard to these matters
- 3.4 The complexity of this programme means that dependencies on other projects, other areas of the Council and partners are unavoidable and are likely to increase as the programme progresses. The Programme Team will need to understand and manage those dependencies very closely. Those projects and key areas of work that, at this stage, have a dependency and/or link are:
- Health & Well-Being Board Initiatives and the Better Care Fund
 - Special Educational Needs Code of Practice
 - Budget savings for 2015 and on
 - Workforce development and culture change
- 3.5 The Care Bill introduces new statutory requirements and duties; there would be risk for the Council in failing to plan to meet these changes. The Bill needs to be considered in the context of key financial and demand risk factors already known concerning social care. These are demographic growth, particularly among older people and younger adults with complex disabilities; and increasing complexity of need among adult social care service users. Additional risks include the new duties to provide services to carers and to people who fund their own care.
- 3.6 The risks associated with implementing the proposals relating to Paying for Care and Support is of particular concern. This will be a complex and demanding area of work requiring whole system change and appropriate investment. It is important to note that the proposed changes could impact significantly on the back office and support services of the Council due to the administration and monitoring processes that are anticipated rather than enabling us to move resources to the front line. This will be particularly true with regard to assessing self funders, as Sefton has the highest percentage of owner occupier homes in the Merseyside area. The LGA is calling for a new national body, underwritten by central government, to oversee the scheme, and manage the financial costs associated with it. The Government has pledged £110 million to help councils cover the new costs incurred for the first year, but whether this is sufficient will depend on how many people opt into the system to receive loans. In subsequent years, the adequacy of funding will depend on the number of people requiring loans and the amount of time it takes for the debt to be recovered once a loan is complete. The LGA has estimated that the length of a loan will be 2.7 years, but demographic pressure and inflation will impact how much money councils will need to have tied-up in loan funds at one time.
- 3.7 Cabinet is asked to be aware and take account of and note the financial and other risks to the Council.

4. Consultation & Engagement

- 4.1 Between August 2012 and March 2013 extensive formal consultation regarding the Strategic Needs Assessment and Health and Wellbeing Strategy took place. The feedback from both the general public and specific groups was that they want to maintain independence, have choice and control over their lives and have access to community information. In addition to this consultation and engagement the Council also consulted the public on a set for principles for setting a balanced budget, including the principle of transforming day care to offer new and flexible opportunities and services. Sixty seven percent of those responded to the budget consultation agreed that with the principle of transforming day care to offer new and flexible opportunities and services.
- 4.2 The proposal to undertake public engagement and consultation on the Adult Social Care change programme was presented to the Public Engagement and Consultation Panel on the 15th November 2013. The Panel approved a Two Stage approach to the consultation. The aims of Stage One are twofold; firstly to engage all local people, communities and stakeholders, in a dialogue about the challenges the council is facing in seeking to modernise adult social care services within the current pressing financial climate, and secondly to seek their views on how adult social care services can change to promote independence and personal and family responsibility. Stage Two of the process will include further dialogue with service users, carers, families, the general public and communities and specific groups on any proposed model (s) for the future delivery of adult social care that meets assessed needs and balances the budget. It is important for members to note that during the Stage Two process, should changes be made to individual care packages and support, consultation and engagement with service users, families and carers, will take place in accordance with the care planning process. A consultation plan for Stage Two will be subject to a further proposal to the Public Engagement and Consultation Panel once the findings from Stage One have been reported. Cabinet is asked to note the ongoing and where appropriate approve commencement of consultation and engagement processes with service users, the community, partners, providers, key stakeholders, employees and Trade Unions

The following key messages are proposed as the framework from which to commence a dialogue with all local people, communities and stakeholders –

Reductions in Government funding combined with our ageing population, and the need to continue to support those adults with very complex needs, means there is a lot less money available for Social Care

We raise £97m from Council tax which is less than we spend on Social Care (adults and children). Out of every pound available to the Council to spend 52 pence is spent on delivering social care services to adults and children. This accounts for £116m out of a total budget of £224m, 52%

In 2015/2016 and 2016/2017 the Council needs to further reduce its budget

by £31.6m and £22.2m respectively having already reduced the amount of money it can spend in real terms by £115m since 2010

This means that the Council has to make very difficult decisions about where to spend its money in the future, whilst seeking to where possible cushion the impact on the most vulnerable

In order to set a balanced budget, which the Council is legally bound to do, the way the Council delivers services must change. This change will mean that in the future people will have to do more for themselves and each other to reduce the reliance on Council services. In the future social care staff will assess what people, families and communities can do for themselves with a focus on prevention and reablement

This will mean that families, charities, volunteers and neighbours will increasingly be the providers of support, not the Council.

There is a need for people to start planning early to provide for their future care needs themselves

- 4.3 The Department of Health have also recently consulted on various aspects of the Care Bill, including developing new standards for adult social care, Draft Minimum Eligibility Threshold for Adult Care and Support and implementing funding reform. The Cabinet Member for Older People & Health has responded outlining the challenges around implementation that the current proposals outlined within the Care Bill will pose unless further funding and national approaches are adopted.
- 4.4 The changes associated with the Care Bill these will require nationally funded engagement and communication campaigns to launch and promote the scheme in a clear and consistent way. If each Council was responsible for this the impact would be diluted and messages would be lost as to the significance of the changes.

5. Related Matters

The following matters, whilst not formally part of the current Adult Social Care Change Programme, are very closely related and have been considered by the Programme Board and Steering Group because of their potential impact on the programme and available resources.

Care Home Fees

- 5.1 Members will recall that the Council is obliged to set the “Usual Cost” it would expect to pay to meet assessed care needs within nursing and residential care homes (often referred to as Care Home Fees) and that it would normally do so on an annual basis before or at the beginning of the financial year. In doing so it should have due regard to the “Actual Costs” of providing care, other local factors

and the Best Value requirements. The agreed "Usual Cost" needs to be sufficient to meet assessed care needs, as far as possible ensure placements are sustainable and represent good value for money.

- 5.2 The Council has held discussions about the Usual Cost for 2013/14, and other related issues, with providers, through the Care Home Provider Forum and the Provider Forum Advisory Sub-Group which were set up during 2013. However, it is yet to formally consult on any specific proposal(s) or to set the Usual Cost. In those discussions, Providers have generally expressed views that: Fees should be set in the context of the other changes we wish to introduce, e.g. Removal of the Quality Payment Scheme (QPS) and introduction of a new contract; fees should be set for a 2-year period, in line with our current budget planning; that costs have continued to rise; that our fees do not adequately cover the actual cost of care and consequently the number of homes charging a "third party top-up" and the level of that top-up will continue to increase; and more latterly that the Council should pay the gross fee not the net fee, shifting the burden for debt recovery to the Council not the provider.
- 5.3 There is no conclusive evidence that current fee levels do not cover the actual cost of care, and if this is the case within any individual homes, the continuing absence of reliable Actual Cost of Care data means it is difficult to prove to what extent this is solely due to the particular business model/business cost effectiveness in play. However, we do know that certain costs have risen, including increases to National Minimum Wage and introduction of Pension Auto-enrolment (with increasing levels of contribution over next 3 years), albeit that we do not know to what extent this affects individual providers. We also know that the number of homes charging Third Party "top-ups" and the level of those top-ups is increasing.
- 5.4 Authority is now sought to consult with Providers in order to set the Usual Cost for 2013/14 and 2014/15. Feedback from the discussions with Providers, together with market place intelligence and the Council's short, medium and longer-term commissioning requirements will be taken in to account and any proposal(s) relating to Usual Cost will be formulated within the context and constraints of available resources, as set out in the Medium Term Financial Plan.
- 5.5 Cabinet is also asked to consider delegating authority to the Cabinet Member (Older People and Health) to set the Council's Usual Cost for 2013/14 and 2014/15 within the context and constraints of available resources, as set out in the Medium Term Financial Plan and as agreed with the Council's Section 151 Officer, following conclusion of the consultation process

Virement from Housing Related Support budget to Community Care budget

- 5.6 The budget for 2012/13 included an in principle reduction of £3m in the Housing Related Support budget (former Supporting People budget) to be delivered over 2 years. It was anticipated that approximately half of this saving could be found by reducing expenditure on funded Care & Support Services. This required reviews of individual care plans to be undertaken and the actual saving achieved was predicated on the outcome of those reviews together with subsequent contractual discussions with providers. As previously reported to Cabinet, "service user reviews identified that for some individuals Housing Related Support funding

underpinned or was closely aligned with meeting assessed care needs”, and as such the funding needed to continue. Consequently, it is now more appropriate for the remaining care-related element of expenditure to be incorporated into the Community Care budget.

- 5.7 The anticipated shortfall (£1.298m) and intention to recode spend appropriately have been reported to Cabinet previously, but in order to facilitate this, and minimise the impact upon the Community Care budget, it is now recommended to reduce the remaining Housing Related Support budget to the level needed only to cover the current Housing Related Support commitments and to carry out a for a budget virement of the funding over and above that amount (£1.056m) from the Housing Related Support budget to the Community Care budget. It is important to note that through ongoing reviews of care plans and commissioning arrangements, across the total Care and Support spend, the forecast shortfall will reduce further.

Extension of Existing Housing Related Support Contracts

- 5.8. In February 2013, Council agreed a further £500k Housing Related Support budget reduction, with effect from April 2014. Officers have identified how that saving can be achieved and any Providers impacted have been advised. It is proposed to continue to apply the Commissioning Principles, agreed by Cabinet in June 2012, as the basis for commissioning future services within the remaining budget available. In order to enable the development of new Housing Related Support Commissioning Plans and subsequent Commissioning activity, that take full account of Council priorities and outcomes of other related reviews/strategies (e.g. Substance Misuse Review; Homelessness Strategy Action Plan; Adult Social Care Strategic Priorities 2013-2020; and Adult Social Care Change Programme) it is necessary to extend existing contracts not ceasing as part of the above saving for between 3-9 months (dependent upon the particular service and where a service is within the scope of another Council review, the timeline for that review) and Cabinet approval for this is now sought.

6. Equality Act 2010 Duty and Impact Assessments

- 6.1 As the Council puts actions into place to deliver the Strategic Plan there is a need to be clear and precise about our processes, and impact assess potential changes, identifying any risks and mitigating these as far as possible. The impact assessments, including any feedback from consultation or engagement where appropriate, will be made available to Members when final recommendations are presented for a decision. This will ensure that Members make decisions in an open minded balanced way showing due regard to the impact of the recommendations being presented in compliance with the Equality Act 2010.

7. Conclusion

- 7.1 These are challenging times with far less money and more demand for care and support from an aging population and adults with complex social care needs. There is also rising expectation in terms of quality, availability, reliability, safety and access to universal or community opportunities. The changing demography, needs and expectations of the people of Sefton pose questions of all services and

require a whole community response with involvement by all. Leadership of that response sits in many places, with the Council having a key role to play.

- 7.2 The combined impact of these factors and new policy and statutory requirements present a significant challenge that will require a sustained and robust Council wide response with continued engagement with key partners. This will need to involve developing solutions that ensure people remain independent for as long as possible; supporting carers to continue caring; encouraging people to plan in advance for their care needs; and promoting wellbeing and independence and community inclusion. Only such a strategic approach can mitigate the demand and financial pressures that will continue to be faced by Adult Social Care.